Khensu® LLP Partnership Agreement v 1.1

THIS AGREEMENT is dated and made 01/04/2024

BETWEEN:

(1) JONATHAN MARK WELLMAN of 13 Chetwynd Aston, Newport, Shropshire, United Kingdom, TF10 9LL

(2) KIBO SERVICES LTD of 262 Studfall Avenue, Corby, Northants, United Kingdom, NN17 1LH (Company Registration number 10151229)

(3) PENNINE CONSULTANCY LTD of 5 Canalside Warehouse, Clegg Hall Road, Littleborough, Greater Manchester, United Kingdom, OL15 0BE (Company Registration number 11779058)

BACKGROUND

The parties (hereinafter referred to as the "**Partners**") named above wish to enter into a new partnership subject to the terms and conditions of the Limited Liability Partnerships Act 2000;

IT IS HEREBY AGREED as follows:

1. Definitions and Interpretation

1.1. For the purposes of this Agreement the following expressions have the following meanings:

"Accounting Year"	means a calendar year ending on the last day of March in each year;
"the Act"	means the Limited Liability Partnerships Act 2000;
"the Auditors"	means such auditors as may from time to time be appointed in accordance with the provisions of this Agreement;
"the Business"	means the profession trade or business of Business Advisory Services to be carried on by the LLP **;**
"the Capital"	means the net capital of the LLP as shown in any balance sheet prepared in accordance with the provisions of this Agreement as belonging to the Members and being the excess of the assets of the LLP over its liabilities;
"the Commencement Date"	Means 1st December 2022;
"Cessation Date"	the date upon which a Member retires, is deemed to retire or is expelled from the LLP;
"Contribution"	means any money or assets paid into the accounts of or transferred into the ownership of the LLP by a Member (other than by way of a loan for which specific written arrangements between and the LLP shall have been made) less any liabilities attaching to such money or assets which shall be assumed by the LLP in substitution for him;
"Current Account"	means the account of a Member with the LLP to which there shall be credited all amounts of profit payable to that Member or against which there shall be debited

	any loss in respect of that Member in accordance with clause 9 and any Drawings taken by that Member so that any credit balance from time to time in respect of any Current Account shall be a debt due from the LLP to the relevant Member;
"Partners' Quorum"	means greater than 50%, with a minimum of 3, of Partners present in person or by video or telephone conference call;
"the Designated Partners"	Means those Partners whose names and addresses appear in Schedule 1, Part 1 or such of the Partners for the time being of the LLP as shall be designated in accordance with the provisions of this Agreement;
"Drawings"	means sums drawn by any Member on account of any anticipated profits of the LLP and any other sums paid or assets applied for his personal benefit by the LLP (other than for any such expenses as shall be provided for in this Agreement) including in particular but without limitation any Tax paid on his behalf by the LLP;
"the Initial Members"	Means the persons (whether individuals in limited liability partnerships or limited companies) whose names and addresses appear in Schedule 1;
"Intellectual Property"	means all industrial and intellectual property rights including without limitation, domain names, patents, trademarks and/or service marks (whether registered or unregistered), registered designs, unregistered designs and copyrights and any applications for any of the same owned by the LLP and used in connection with the Business and all Know-how and confidential information so owned and used;
"Know-how"	means all information (including that comprised in or derived from data, disks, tapes, manuals, source codes, flow-charts, manuals and instructions) relating to the Business and the services provided by it;
"the LLP"	means the limited liability partnership incorporated under the name Khensu LLP which the Members have registered at Companies House with number OC444495;
"Initial Partners"	means those of the Initial Partners and/or such other or additional persons as may from time to time be appointed in accordance with the provisions of this Agreement whose membership of the LLP has not been determined in accordance with those provisions;
"Associate Partners"	Members who have agreed to the Code of Conduct of Associate Partners and have paid their subscriptions for the current Accounting Year. Associate Partners are not legal Partners of the LLP according to the terms and conditions of the Limited Liability Partnerships Act 2000 but represent the membership community that the Partners serve.

"Associate Partners' Quorum"	means **75% o**f Partners or Associate Partners present in person or by video or conference call;
"Member's Share"	means a Member's share and interest of and in the Capital;
"the Name"	means Khensu LLP or such other name as shall from time to time be registered by the LLP at Companies House as its name;
"Payment Date"	shall mean the first day in each calendar month or, if the same shall not be a Working Day, then the Working Day immediately following the same;
"Registered Office"	Means: Suite 2A, Blackthorn House, St Paul's Square, Birmingham, B3 1RL;
"Tax"	means any Income Tax, Capital Gains Tax or National Insurance Contribution payable by any Member in respect of his status as a member of the LLP or his share of the profits of the LLP or the proceeds from the disposal of any of the assets of the LLP;
"Working Day"	means any day from Monday to Friday inclusive save for any such day which is a bank or statutory holiday; and
"Year End Date"	means 31st March

1.2. Reference to any profits or losses of the LLP includes a reference to profits and losses of a capital nature.

1.3. Reference to the death of any Member shall in the case of any Member being a body corporate include reference to the winding up, dissolution, or striking off the register of that Member unless the context otherwise requires.

1.4. Reference to any statute or statutory provision includes a reference to that statute or provision as from time to time amended extended re-enacted or consolidated and to all statutory instruments or orders made under it.

1.5. Words denoting the singular number include the plural and vice versa.

1.6. Words denoting any gender include all genders and words denoting persons include firms and corporations and vice versa.

1.7. Unless the context otherwise requires reference to any clause, paragraph or Schedule is to a clause, paragraph or Schedule (as the case may be) of or to this Agreement.

1.8. The headings in this document are inserted for convenience only and shall not affect the construction or interpretation of this Agreement.

1.9. In the event that any provision of this Agreement is determined to be void or unenforceable, such determination shall not affect the remainder of this Agreement, which shall continue to be in force.

2. Incorporation

2.1. The Members shall complete and deliver to Companies House all such documents and pay all such fees as shall be necessary to lead to the incorporation of the LLP in accordance with the Act.

2.2. The certificate of registration of the LLP issued under the Act shall be kept at the Registered Office.

3. Commencement and Duration

3.1. The provisions of this Agreement shall be deemed to have taken effect on the Commencement Date.

3.2. The LLP shall carry on the Business and/or carry on such other or additional trade profession or business as the Members shall from time to time determine.

3.3. The LLP shall subsist until wound up in accordance with the provisions of the Act.

3.4. In the event that any Member may be personally liable under any contract entered into by him prior to the incorporation of the LLP which was for the benefit of the LLP and with the express or implied consent of the other Members then the LLP shall on incorporation be deemed to ratify that contract and shall indemnify that Member from and against all claims, liabilities and costs in connection with it.

4. Name and Registered Office

4.1. The Designated Members may from time to time determine upon a change in the Name and/or the Registered Office of the LLP.

4.2. Upon any change in the Name and/or the Registered Office of the LLP it shall be the responsibility of the Designated Members to notify Companies House of any such change in accordance with the Act.

5. Place of Business and Property

5.1. The Business shall be carried out by the LLP from the respective business or residential addresses of the Members or any venue hired or booked for the purpose of a meeting of the Members.

5.2. All computers and ancillary equipment, office equipment, furniture, books, stationery and other property and equipment purchased on behalf of, or acquired by, the LLP and used for the purposes of the Business shall be the property of the LLP.

6. Accounts

6.1. It shall be the responsibility of the Members to ensure that accounting records giving a true and fair view of the Business and the affairs of the LLP shall be properly maintained. Such accounting records must in particular contain entries showing all money received and expended by the LLP and a record of the LLP's assets and liabilities.

6.2. Such accounting records shall be:

6.2.1. kept at the LLP's Registered Office or at such other place as the Members may from time to time determine;

6.2.2. open to inspection by the Members; and

6.2.3. kept for a period of three six years from the date they were made.

6.3. The Designated Members may (acting where appropriate in accordance with the requirements of The Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008 as amended by the Limited Liability Partnerships, Partnerships and Groups (Accounts and Audit) Regulations 2016:

6.3.1. appoint Auditors during or before the LLP's first period for appointing auditors;

6.3.2. be deemed to appoint the Auditors as auditors of the LLP for each subsequent Accounting Year;

6.3.3. have power to remove the Auditors from office;

6.3.4. have power to fix the remuneration of the Auditors.

6.4. The Members may from time to time determine to amend the LLP's accounting reference date.

6.5. A profit and loss account as at the Year End Date shall be prepared for each Accounting Year together with a balance sheet and the same shall be audited in accordance with all relevant Financial Reporting Standards and in such format and giving such information notes and disclosure of the interests of the Members in the LLP as may be required by The Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008 as amended by the Limited Liability Partnerships, Partnerships and Groups (Accounts and Audit) Regulations 2016.

6.6. The accounts to be prepared in accordance with clause 6.56.5 shall be:

6.6.1. accompanied by the Auditor's report, where an Auditor has been appointed;

6.6.2. approved by the Members and signed on behalf of all the Members by a Designated Member in accordance with The Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008 as amended by the Limited Liability Partnerships, Partnerships and Groups (Accounts and Audit) Regulations 2016, which approval shall be given at a meeting and shall thereafter become binding on all Members save that any Member may request the rectification of any manifest error discovered in any such accounts within three Months of receipt of the same;

6.6.3. distributed to all Members as required by The Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008 as amended by the Limited Liability Partnerships, Partnerships and Groups (Accounts and Audit) Regulations 2016; and

6.6.4. filed at Companies House in accordance with The Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008 as amended by the Limited Liability Partnerships, Partnerships and Groups (Accounts and Audit) Regulations 2016.

7. Banking Arrangements

7.1. The bankers shall be Virgin Money and/or such other bank as the Designated Members may from time to time determine and notify to all Members as being the lead bank or a subsidiary bank of the LLP ("the Bank").

7.2. All money, cheques and drafts received by or on behalf of the LLP solely shall be paid promptly into the bank account of the LLP and all securities for money shall be promptly deposited in the Name of the LLP with the Bank.

7.3. In the event that it shall be a normal part of the Business to receive money on behalf of any client or third party the LLP shall open a separate client account or accounts with the Bank and:

7.4. all money, cheques and drafts received by or on behalf of such clients or third parties shall be paid promptly into such client account(s) and all securities for money shall be promptly deposited in the name of the clients or third parties with the Bank;

7.5. any such account or accounts shall at all times be operated by the LLP strictly in accordance with any rules or regulations of any professional or regulatory body which may exercise relevant jurisdiction over the LLP.

7.6. All cheques drawn on or instructions for the electronic transfer of money from any such account as is mentioned in this clause 7 shall be in the Name of the LLP and may be drawn or given by any Designated Member and in the case of any instructions for electronic transfer written confirmation of those instructions shall be signed by the authorising Member.

7.7. No Member shall sign any cheque in favour of or give instructions for any transfer of money to himself or his spouse, child, parent or sibling.

8. Members' Shares and Contributions

8.1. Each of the Initial Members shall acquire as at the Commencement Date a Member's Share equal to the amount or value of any Contribution made by him on the Commencement Date.

8.2. Any Member making any Contribution at any time after the Commencement Date shall acquire a new Member's Share or augment his previous Member's Share by an amount equal to the amount or value of that Contribution.

8.3. The Designated Members may from time to time require the Members or any of them to make such Contribution as is necessary for the Business and shall in that event specify the time within which such Contribution is to be made.

8.4. Any such Contribution as above may be made by the member at his discretion by payment to the LLP or by transfer from his Current Account insofar as the same may be sufficient for the purpose

8.5. No Member shall not be entitled to any interest on the amount for the time being of his Member's Share.

9. Profits and Losses

9.1. References to sums being credited or debited to Members in this clause shall be construed in accordance with the following provisions:

9.1.1. all sums to be credited to a Member shall be credited to his Current Account;

9.1.2. all sums to be debited against a Member shall be debited against his Current Account. If the amount to be debited is greater than the value of the Current Account, then the balance of the amount to be debited shall be deducted from such Member's Share;

9.1.3. if any sums shall fall to be debited against a Member at any time when his Current Account and his Member's Share shall both have been exhausted then the same shall be set-off against any other monies owed to him by the LLP but if there shall be no such monies or if they shall be insufficient for the purposes of that set-off then they may be set-off against any future credits due from the LLP to the Member but for the avoidance of doubt the Member shall not be required to pay any sums to the LLP in respect of any unsatisfied element of such debits;

9.1.4. the Designated Members may at any time determine to credit or debit at such time as they may specify all or any part of any profits earned by or losses incurred by the LLP in respect of any Accounting Year;

9.1.5. all sums shown in the accounts of the LLP as profits or losses in respect of any Accounting Year shall (save insofar as they may already have been credited or debited in accordance with clause 9.1.4) be deemed to be credited or debited automatically and immediately upon the approval of the accounts for any Accounting Year in accordance with clause 6.6 (unless the Designated Members shall at the time of or prior to that approval determine to postpone the operative time of such crediting or debiting either generally or until such time as they may specify).

9.2. Interest shall not be paid on profits payable to members.

9.3. The profits and losses of the LLP shall (as the case may be) be credited to or debited against the Members' Current Accounts in the proportions set out in Schedule 3.

9.4. Notwithstanding the provisions of clause 9.3, where during any Accounting Year any Member was prevented by reason of ill-health or accident from devoting his full time and attention to the Business (except during holiday leave, maternity leave, paternity leave or parental leave) for a period of more than 13 successive weeks or for any lesser period commencing within 26 weeks

after the Member in question shall have resumed normal duties following a period of such absence exceeding 13 weeks then the share of profits to which such Member is entitled shall after that period be reduced by the Weekly Sum for every complete week of incapacity until he shall resume normal duties and the share of the profits of the other Members shall be increased by a like sum and be divided between them in the proportions set out in Schedule 3.

10. Drawings

10.1. There shall be paid to each Member on the Payment Date in each Month the Drawings amount or such other sum as the Designated Members may from time to time agree in respect either of all Members or such Members as may thus be determined and notification of any such change shall be given by the Designated Members to all Members.

10.2. Any further payments to be made to or on behalf of any Member and any assets to be transferred to or for the benefit of any Member shall only be made, transferred or applied with the consent of the Designated] Members and notification of any such payment transfer or application shall be given by the Designated Members to all Members.

10.3. The LLP shall on the taking of the annual accounts provided for in clause 6 reserve out of profits before distribution:

10.3.1. any amounts of Tax estimated by the Auditors to be payable by Members during the next following Accounting Year and each Member shall be charged with his due proportion of such Tax; and

10.3.2. such amount as the Designated Members shall determine in order to provide further working capital for the Business.

10.4. If on the taking of any such annual accounts they shall show that in the relevant Accounting Year any Member drew pursuant to the provisions of this clause 10 in excess of his share of the profits for that Accounting Year then such Member shall repay the excess forthwith together with interest on the excess or such part of the excess as shall from time to time be outstanding at the Interest Rate from a date being one Month after the receipt by him of such accounts to the date of repayment.

10.5. Subject to clause 10.3 each Member shall be entitled to be paid by the LLP the balance (if any) of his actual share of any profits shown in the accounts for any Accounting Year at any time after the same has been approved in accordance with clause 6.6.

11. Members' Obligations, Duties & Entitlements

11.1. Each Member shall at all times:

11.1.1. devote reasonable time and attention to the Business to meet the obligations set out in the Code of Conduct except during holiday leave, maternity leave, paternity leave, parental leave, family leave or incapacity due to illness injury or other substantial cause;

11.1.2. not without the consent of the Designated Members derive any benefit from the use of the Name or the Property or the business connection of the LLP (and in the event of any breach of this clause the Member shall account to the LLP for any profit derived by him from the use in question);

11.1.3. conduct himself in a proper and responsible manner and use his best skill and endeavour to promote the Business; and

11.1.4. comply with all statutes, regulations, professional standards and other provisions as may from time to time govern the conduct of the Business or be determined by the Designated Members as standards to be voluntarily applied by the LLP to the Business.

11.2. Each Member shall at all times show the utmost good faith to the LLP**.**

11.3. Each non-corporate Member shall be entitled amongst other things, to holiday leave, maternity and paternity leave and parental and family leave as per any statutory rights and obligations each Member may be entitled to by virtue of being considered a “worker” for the purposes of the Employment Rights Act 1996.

12. Holiday Leave

12.1. Not applicable

13. Maternity and paternity rights

13.1. Not applicable

14. Parental and Family Leave

14.1. Not applicable

15. Management

15.1. Meetings of each of the Designated Members and the Members shall be held at least 6 times a year and shall normally be convened by the Chairman or by any liquidator of the LLP appointed under the Insolvency Act 1986.

15.2. Reasonable advance-notice of any such meeting shall be given to all those entitled to attend the same provided that any resolution passed at a meeting of which no advance-notice has been given shall be deemed to have been duly passed if it is afterwards ratified by the required majority of the Designated Members or the Members as the case may be at a duly convened meeting.

15.3. Meetings of either the Designated Members or the Members shall be chaired by the Chairman or in the Chairman's absence by such Designated Member or Member as shall be appointed for the purpose by those present at the meeting.

15.4. No substantive business shall be conducted at a meeting of the Designated Members or the Members as the case may be unless the Designated Members' Quorum or the Members' Quorum shall respectively be present in person (or have been present earlier in the meeting) provided that any resolution passed at an inquorate meeting shall be deemed to have been duly passed if it is afterwards ratified by the required majority of the Designated Members or the Members as the case may be at a duly convened and quorate meeting.

15.5. Proxy voting shall be permitted.

15.6. Any matters which are by reason of the Act or by this Agreement reserved for the decision of the Designated Members shall be determined by them by a simple majority at a duly convened meeting provided that a written resolution, signed by the Chairman shall be as valid as a resolution passed at such a meeting.

15.7. Any matters not either:

15.7.1. reserved as above for the decision of the Designated Members or

15.7.2. delegated as below for the decision of a committee

shall be determined by the Members by their votes at a duly convened meeting (save that any such decision taken in anticipation of any default by the Designated Members in acting as above shall only take effect upon the expiry of the time prescribed by law for that action if the Designated Members shall not in fact have acted appropriately by that time).

15.8. At any meeting of the Members a decision may be taken by a simple majority save that:

15.8.1. a majority of not less than sixty-six per cent of the Designated Members present and voting shall be required for any of the following purposes:

15.8.1.1. any determination to be made under the Insolvency Act 1986 including in particular but without limitation any determination to propose for a Voluntary Arrangement in respect of or a voluntary winding-up of the LLP;

15.8.1.2. any resolution to appoint any Member(s) as delegates empowered on behalf of the LLP to approve or reject under the Insolvency Act 1986 Section 4(5A) any modifications to any proposed Voluntary Arrangement in respect of the LLP;

15.8.1.3. any resolution to appoint remove or fill a vacancy in the office of a liquidator of the LLP;

15.8.1.4. any resolution to give or withhold any sanction required under the Insolvency Act 1986 including in particular but without limitation any sanction under the Insolvency Act 1986 Sections 110(3), 165(2).

15.8.1.5. a change in the nature of the Business;

15.8.1.6. any amendment to this Agreement;

15.8.1.7. the borrowing or lending by the LLP or the giving of any guarantee or undertaking by the LLP; and

15.8.1.8. the commitment to significant expenditure, subject to consultation of the members and Associate Partners, where appropriate.

15.8.2. a simple majority vote of the Members present and voting at a quorate meeting shall be required for any of the following purposes:

15.8.2.1. the opening or closing of any place of business of the LLP;

15.8.2.2. the admission or expulsion of any Member or the passing of a resolution authorising the service or revocation of any Notice requiring any Member to retire in accordance with clause 20.3;

15.8.2.3. the appointment of any Member as a Designated Member or the revocation of any such appointment; and

15.8.2.4. the delegation (or revocation of such delegation) of powers to a committee in accordance with clause 15.9.

15.9. The Members may from time to time delegate (or revoke the delegation of) any of their powers of managing or conducting the affairs of the LLP to a committee or committees consisting of such Members as are appointed in the appropriate resolution provided that such delegation may be made subject to such conditions as the resolution may prescribe.

15.10. The procedure for the conduct of any such committee as is formed in accordance with clause 15.9 shall be as prescribed by the resolution establishing it or if the resolution does not do provide shall be as determined by a majority of that committee.

15.11. For the avoidance of doubt no Member who is at any time within any of the circumstances prescribed by the Limited Liability Partnerships Act 2000 Section 7(1) shall have an entitlement to attend any meeting of the Members or the Designated Members or any committee established as above or have any vote at any such meeting and any reference to a resolution requiring to be signed by Members shall be deemed to exclude reference to signature by any such Member.

16. Limitations on Members' Powers as Agents

The following limitations on the powers of any individual Member to act as an agent of the LLP shall apply:

16.1. No Member shall:

16.1.1. procure that the LLP shall enter into any bond or become bail or surety for any person;

16.1.2. knowingly cause or permit or suffer to be done anything whereby the property of the LLP may be taken in execution or otherwise endangered;

16.1.3. assign, mortgage or charge his interest in the Capital; or

16.1.4. be entitled to make any application to the Court under the Companies Act 2006 Section 994**.**

17. Indemnity and Expenses

17.1. The LLP shall indemnify each Member from and against any claims, costs and demands arising out of payments made by him or liabilities incurred by him in the performance by him of his duties as a Member in the normal course of the operation of the Business or in respect of anything necessarily done by him for the preservation of the Business or the property of the LLP.

17.2. Each Member shall be entitled to charge and be refunded all out-of-pocket expenses properly incurred by him in connection with the Business provided that:

17.2.1. All expenses shall be vouched by an appropriate receipt and VAT invoice where appropriate;

17.2.2. If the LLP shall provide a credit card or debit card for the use of a Member for such expenses he shall provide to the LLP the original vouchers for all expenditure charged to such card;

17.2.3. The Members may from time to time resolve to place upper limits on any category or categories of expenses of which reimbursement may be claimed by Members.

18. Cars

18.1. Cars will not be provided by the LLP to any Member and any vehicles used by a Member will be at their own risk and cost.

19. Insurance

19.1. The LLP shall maintain policies of insurance for such respective amounts as the Designated Members may from time to time determine in respect of:

19.1.1. the Property;

19.1.2. all plant equipment and other chattels belonging to or used by the LLP;

19.1.3. employers' liability;

19.1.4. public liability;

19.1.5. loss of profits consequent upon destruction of or damage to the Property;

19.1.6. loss of profits consequent upon destruction of or damage to or theft of any plant equipment, chattels~~,~~ including in the case of any computers or ancillary equipment any virus or corruption or loss of any software or data; and

20. Retirement

20.1. A Designated Member may resign his designation upon giving Notice to the LLP and to the other Members such Notice to take effect upon the expiry of the Notice period from the date of the said Notice save that in the event that such resignation would reduce the number of Designated

Members of the LLP to two then the Notice shall not take effect until the Members shall have appointed a new Designated Member to fill the vacancy to be created by the said Notice .

20.2. If any Member shall give to the LLP and to the other Members Notice of his intention to retire from the LLP then on the expiry of the Notice he shall retire from the LLP provided that such Notice period shall not be less than two calendar months.

20.3. A Member shall be deemed to retire from the LLP:

20.3.1. on the expiry of not less than three Months' Notice requiring him to retire given to him by the LLP at a time when by reason of illness, injury or other cause he has been unable to perform his duties as a Member and has been so unable throughout the period of at least twelve Months immediately preceding the service of the Notice or for an aggregate period of at least twelve Months during the period of twenty-four Months immediately preceding such service provided that:

20.3.1.1. there shall be excepted from the calculation of any such period any period(s) of maternity leave, paternity leave, parental leave or family leave; and

20.3.1.2. a Notice under this clause shall be of no effect if before it expires the Member upon whom it has been served satisfactorily resumes his duties as a Member and the LLP accordingly resolves to withdraw the Notice ;

20.3.2. forthwith on the service upon him of Notice in writing requiring him to retire given by the LLP at any time after he has become a patient within the meaning of the Mental Health Act 1983 Section 94(2) or Section 145(1).

21. Expulsion

21.1. If any Member shall:

21.1.1. commit any grave breach or persistent breaches of this Agreement; or

21.1.2. have a bankruptcy order made against him**;** or

21.1.3. fail to pay any money owing by him to the LLP within 30 days of being requested in writing by the LLP so to do; or

21.1.4. be guilty of any conduct likely to have a serious adverse effect upon the Business; or

21.1.5. cease to hold any professional qualification or certification required for the normal performance of his duties as a member of the LLP;

then the LLP may by Notice in writing given to him be entitled forthwith to expel him from membership of the LLP provided that any such Notice shall give sufficient details of the alleged breach or breaches to enable the same to be properly identified.

22. Provisions Relating to Death, Retirement or Expulsion

22.1. In the event that any Member shall on a date other than a Year End Date die or retire or be deemed to retire or be expelled then:

22.1.1. he shall not be entitled to receive any share of the profit of the LLP from the date of his ceasing to be a Member;

22.1.2. the LLP shall not be obliged to prepare any accounts other than the accounts which would normally prepared as at the next Year End Date;

22.1.3. for the purpose of ascertaining the amount of the Member's Share of the Member in question the profits of the LLP in such accounts shall be apportioned on a time basis in respect of the periods before and after his death retirement or expulsion.

22.2. In the event of the death, retirement or expulsion of any Member there shall be due to him from

the LLP the amount of his Member's Share as shown in the accounts of the LLP for the Year End Date next following such death, retirement or expulsion or upon which the same shall take effect (and for the avoidance of doubt there shall be no goodwill payable to him).

23. Payments Following Death, Retirement or Expulsion

23.1. In the event of the death of any Member being an individual the LLP shall:

23.1.1. pay on the first day of each of the three Months next following that Member's death an amount equal to the normal monthly Drawings then applicable in accordance with Clause 10.1 such payments to be made to the deceased Member's personal representatives or to such other person as the LLP shall at its absolute discretion determine (provided that the LLP shall not be concerned as to whether the recipient(s) of such payments shall in due course prove to be the person(s) entitled at law to the deceased Member's estate);

23.1.2. pay the appropriate Member's Share (as at the latest accounts submitted to Companies House and after allowing for any such payments as are referred to in clause 23.1.1) to the deceased Member's personal representatives as soon as may be reasonably practical but in any event within one year of his death.

23.2. In the event of any retirement deemed retirement or expulsion of any Member or in the event of the dissolution winding up or striking off of any Member being a body corporate then that Member's Share (as at the latest accounts submitted to Companies House) shall be paid by the LLP to the retiring or expelled Member or to any liquidator appointed in respect of the Member or to the Secretary of State (as the case may be) on the Year End Date occurring next after the retirement expulsion dissolution winding up or striking off takes effect) provided that the LLP shall be entitled at any time to make such payments earlier than so required at its absolute discretion.

24. Other Provisions Following Death, Retirement or Expulsion

24.1. Any Member who shall have retired or been deemed to retire or been expelled shall:

24.1.1. Pay into the LLP's bank account all sums due from him to the LLP and any sums not so paid shall be recoverable by the LLP from him as a debt.

24.1.2. Deliver to the LLP all such books of account, records, letters and other documents in his possession relating to the LLP as may be required for the continuing conduct of the Business but during any subsequent period in which there shall still be money owed to him by the LLP the retired or expelled Member or his duly authorised agents shall be permitted to inspect by appointment the books of account, records, letters and other documents of the LLP insofar as they relate to any period preceding the Cessation Date.

24.1.3. Sign, execute and do all such documents, deeds, acts and things as the LLP may reasonably request for the purpose of conveying, assigning or transferring to it any Property or assets which immediately prior to the Cessation Date were vested in the retired or expelled Member as nominee for or in trust for the LLP.

25. Winding up

25.1. For the avoidance of doubt no Member has agreed with the other Members or with the LLP that he shall in the event of the winding up of the LLP contribute in any way to the assets of the LLP in accordance with the Insolvency Act 1986 Section 74.

25.2. In the event of the winding up of the LLP then any surplus of assets of the LLP over its liabilities remaining at the conclusion of the winding up after payment of all money due to the creditors of the LLP and all expenses of the winding up shall be payable by the liquidator to the Members

in such proportions as their respective Members' Shares shall have borne to each other on the day before the commencement of the winding up.

25.3. In the event that any Court makes a declaration or declarations under the Insolvency Act 1986 Section 214A requiring any Member or Members to make any Contribution to the assets of the LLP then the other Member(s) shall indemnify the Member(s) in respect of whom the said declaration(s) shall have been made in such manner that the amount or aggregate amounts payable in accordance with the said declaration(s) shall be borne by the Members in the proportions set out in Schedule 3·

26. Guarantees and Indemnities

26.1. In the event that any Member shall have given any guarantee on behalf of the LLP and (if so required by clause 16.1.3) have obtained the necessary consent for that then:

26.1.1. If any guarantee so given shall be called upon by the person to whom it has been given then upon making any payment properly due under that guarantee the Member in question shall be entitled to be indemnified forthwith by the other Members in such manner that the amount or aggregate amounts payable in accordance with the said guarantee shall be borne by the Members in the proportions set out in Schedule 3;

26.1.2. Upon the death, dissolution, retirement, deemed retirement or expulsion of that Member the other Members shall:

26.1.2.1. use their best endeavours to procure that the person having the benefit of the guarantee shall release that Member (or his estate) from the guarantee;

26.1.2.2. provide a substitute guarantor if required by that person as a condition of release;

26.1.2.3. jointly and severally indemnify the Member in question or his estate from and against any liability under the guarantee arising after the date of the death or dissolution of or the Cessation Date relating to that Member.

26.2. For the avoidance of doubt nothing in this clause 26 shall require any Member to indemnify any other Member against any claim or liability resulting from the negligent act or omission of that other whether such claim is brought by the LLP itself or by any third party and whether the other Member is solely liable or is co-extensively liable with the LLP.

27. Notices

27.1. Any Notice herein referred to shall be in writing and shall be sufficiently given to or served on the person to whom it is addressed if it is delivered to or sent in a prepaid first class letter by the Recorded Delivery Service addressed (in the case of Notice to the LLP) to its Registered Office or (in the case of Notice to any Member) to him at his residential address as registered for the time being with Companies House and shall be deemed to have been delivered in the ordinary course of post.

27.2. For the purposes of this Agreement any Notice shall be deemed to have been given to the personal representatives of a deceased Member notwithstanding that no grant of representation has been made in respect of his estate in England if the Notice is addressed to the deceased Member by name or to his personal representatives by title and is sent by prepaid letter by the Recorded Delivery Service to the residential address as registered for the time being with Companies House of the deceased at his death.

28. Disputes

28.1. Any dispute under or arising out of this Agreement shall be resolved in the following manner:

28.1.1. In the first instance, the matter should be discussed and a resolution agreed by the normal voting procedure at a quorate meeting of Designated Members.

28.1.2. An aggrieved party or parties, being unsatisfied by the majority vote of the Designated Members, may request that the matter is put to the Associate Partners of the LLP at a general meeting, to see if they may be able to persuade either of the parties to change their view and resolve the matter. Both parties to the dispute must agree to putting the issues to the Associate Partners of the LLP before doing so and any vote by the Associate Partners is not binding for matters reserved for Designated Members only.

28.1.3. If the dispute remains incapable of resolution by the methods described in 28.1.1 and 28.1.2, then the matter will revert to binding arbitration using the services of the UK Advisory, Conciliation and Arbitration Service, ACAS. The costs will be split as follows:

- 50% paid by the LLP, representing the majority view of the Designated Members as voted upon at a quorate meeting, and
- 50% paid by the party or parties holding the minority view.

SCHEDULE 1 - Member's names and residential addresses

Part 1: Designated Partners

1. JONATHAN MARK WELLMAN of 13 Chetwynd Aston, Newport, Shropshire, United Kingdom, TF10 9LL
2. KIBO SERVICES LTD of 262 Studfall Avenue, Corby, Northants, United Kingdom, NN17 1LH (Company Registration number 10151229)
3. PENNINE CONSULTANCY LTD of 5 Canalside Warehouse, Clegg Hall Road, Littleborough, Greater Manchester, United Kingdom, OL15 0BE (Company Registration number 11779058)

Part 2: Other Partners
(none)

SCHEDULE 2 - Property

(None)

SCHEDULE 3 -Primary division of profits and losses

Split equally between the Partners.

SCHEDULE 4 - Secondary profit share principles (if any)

None

AS WITNESS the hands of the parties hereto the day and year first before written.

SIGNED by JONATHAN MARK WELLMAN	In the presence of
SIGNED by Lawrence Faulkner, on behalf of KIBO SERVICES LTD	In the presence of
SIGNED by David Butler, on behalf of PENNINE CONSULTANCY LTD	In the presence of